

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

ROBERT C. WIAN ENTERPRISES, INC., a Corporation,
Appellant,

vs.

L. O. PERSINGER and MERLE PERSINGER, Individually and
as Partners, Doing Business as Big Boy Manufacturing
Company,

Appellees.

APPELLANT'S OPENING BRIEF.

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No. 14723

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Appellees.

APPELLANT'S OPENING BRIEF.

I.

Statement of the Facts Setting Forth the Basis for
the Jurisdiction of the District Court and the
Jurisdiction of the Court of Appeals.

A. District Court.

The Amended Complaint for Injunctive Relief and Damages [Tr. Rec. p. 3] in its first cause of action sets forth a claim for trademark infringement. The authority for the jurisdiction of the District Court in such a case is found in 60 Stat. 440, 15 U. S. C. Sec. 1121 (1946), which confers upon the District Court jurisdiction in all actions arising under the Federal trademark laws. The second cause of action also sets forth a cause

of action for trademark infringement, and the Court's jurisdiction is predicated upon the same statute.

The third cause of action is based upon unfair competition. The authority for the jurisdiction of the District Court in such cases is found in 62 Stat. 931, 28 U. S. C. Sec. 1338 (1948). This statute is divided into two sections. Section (a) confers jurisdiction upon the District Court in "any civil action arising under any Act of Congress relating to patents, copyrights and trademarks." Section (b) confers jurisdiction on the District Court in any action asserting a claim of unfair competition when that action is joined with a substantial and related claim under the trademark laws. The action for unfair competition set forth in the plaintiff's third cause of action would fall within the provisions of Section (b), since it is joined with the action for trademark infringement set forth in the first and second causes of action. Even assuming that this Court were to hold that the first and second causes of action do not set forth claims for trademark infringement, the District Court would nevertheless have jurisdiction over the third cause of action under Section (a).

Stauffer v. Exley, 184 F. 2d 962 (9th Cir. 1950);
Time, Inc. v. T.I.M.E., Inc., 123 Fed. Supp. 446
(S. D. Cal. 1954).

B. Jurisdiction of Court of Appeals.

The jurisdiction of the Court of Appeals is founded upon 62 Stat. 929, 28 U. S. C. Sec. 1291 (1948), which confers upon the Court of Appeals jurisdiction of appeals from all final decisions of the District Courts of the United States and upon 60 Stat. 440, 15 U. S. C. Sec. 1121 (1946), which gives to the Court of Appeals appel-

late jurisdiction in all matters arising under the Federal trademark laws. The Notice of Appeal [Tr. Rec. p. 31] sets forth that this appeal is from the Order of Dismissal entered on February 8, 1955. This Order of Dismissal [Tr. Rec. p. 29] states that the District Court orders that the Amended Complaint and the action based thereon be dismissed for failure to state a claim upon which relief can be granted. Such an order constitutes a final judgment and is therefore an appealable order within the meaning of 62 Stat. 929, 28 U. S. C. Sec. 1291 (1948).

Wright v. Gibson, 128 F. 2d 865 (9th Cir. 1942);
United States v. State of Arizona, 206 F. 2d 159 (9th Cir. 1953).

II.

Statement of the Case.

This appeal arises on the Amended Complaint for Injunctive Relief and Damages, the defendants' Motion to Dismiss, and the Order made pursuant thereto. The first cause of action of the Amended Complaint sets forth the following facts:

The plaintiff is a corporation engaged in the restaurant business. Its predecessor, Robert C. Wian, first entered the restaurant business in 1936 in Glendale, California, where he operated a single restaurant under the business name and style of "Bob's". In 1938 he developed what is now known as a "double deck" hamburger which he began selling and serving under the trade name "Big Boy". At the same time, he created a distinctive design consisting of a stout boy in overalls holding a hamburger sandwich, which design was used in conjunction with the trade name. [Tr. Rec. p. 4, par. V.]

In 1946 the plaintiff corporation was formed and succeeded to the business developed by Mr. Wian. The plaintiff continued to use the name "Big Boy" and the design of the fat boy so that both the name and the design have now been in continuous use since 1938. [Tr. Rec. p. 5, par. VI.]

The plaintiff's operation has been expanded to include ten restaurants in Southern California and, during the year 1953, served two million (2,000,000) customers and received gross receipts in excess of Three Million Five Hundred Thousand Dollars (\$3,500,000). In order to publicize and promote the name "Big Boy" and the design, the plaintiff has caused them to be widely advertised in Southern California. Examples of the advertising were attached to the complaint as Exhibits "A" through "L" and include, among other things, hamburger bags, billboards, business cards and stationery. The plaintiff has also advertised through newspapers, radio programs and other customary media of advertising. [Tr. Rec. p. 5, pars. VII, VIII and IX.]

As a result of the plaintiff's efforts, the words "Big Boy" and the accompanying design have become widely recognized in Southern California as identifying the plaintiff's restaurant operation, and "Big Boy" has thereby become the plaintiff's trade name as well as trademark. [Tr. Rec. p. 7, par. X.]

In addition to its own operations in the Southern California area, the plaintiff has in the past few years undertaken a program looking to the establishment of licensee operated restaurants throughout the United States which display and advertise the "Big Boy" trademark and design and serve "Big Boy"

hamburgers according to standards established and enforced by the plaintiff. At the time of the filing of the Amended Complaint, such licenses had been granted in Illinois, Ohio, Kentucky, West Virginia and Michigan. A photograph of the restaurant of one of the licensees is Exhibit "M" of the Amended Complaint. As a result of the efforts of the plaintiff and its licensees, the plaintiff's trademark and design are now widely recognized throughout a large part of the United States as identifying the businesses and products of the plaintiff and its licensees. [Tr. Rec. p. 7, pars. XI and XII.]

The plaintiff in the years 1952 and 1953 registered its name and design as trademarks in the United States Patent Office, and copies of the registration certificates were attached to the Amended Complaint as Exhibits "N" and "O". [Tr. Rec. p. 9, par. XIII.]

Beginning sometime after 1950, the defendants as partners commenced manufacturing and selling at wholesale and retail various types of home barbecues, braziers and related accessories. They gave to their business the name "Big Boy Manufacturing Company" and advertised their products under the name "Big Boy", and they are still so advertising. [Tr. Rec. p. 9, par. XIV.]

Examples of the defendants' advertising material were attached to the Amended Complaint as Exhibits "P", "Q" and "R". These include a picture in the defendants' advertising material displaying a sign on the roof of what purports to be the defendants' factory bearing the words "Home of Big Boy

Barbecues" in the same manner as the Wian restaurants are designated "Home of the Big Boy Hamburger." The advertisements include pictures of food products similar to those sold in the plaintiff's restaurants. [Tr. Rec. p. 9, pars. XV, XVI, XVII, XVIII, XIX and XX.]

The defendants have caused their products to be advertised and sold in the Southern California area as well as in other states across the nation. [Tr. Rec. p. 11, par. XXI.]

The defendants' conduct unless restrained will impair, if not destroy, the value of plaintiff's good will. [Tr. Rec. p. 11, par. XXII.]

In addition to the facts set forth above, the plaintiff alleged in its second cause of action the following:

The acts of the defendants in adopting the name "Big Boy" and in taking the steps described were done with the knowledge of the plaintiff's business and with the knowledge of the plaintiff's use and ownership of the "Big Boy" name and the accompanying design. The defendants' actions necessarily tended to confuse and deceive the purchasing public and were deliberately intended to confuse and deceive the purchasing public into believing that the defendants' business was in some way associated with or affiliated with that of the plaintiff or that the defendants' activities were authorized by the plaintiff. [Tr. Rec. p. 12, par. II.]

As a result, the defendants have appropriated to themselves a portion of the business and good will of the plaintiff and have caused the plaintiff's customers and the public generally to believe that the

plaintiff and the defendants are one and the same or in some way associated with each other. They have caused a diminution of the plaintiff's business and profits and a loss of the plaintiff's good will. [Tr. Rec. p. 13, pars. III and IV.]

On August 21, 1953, shortly after learning of the defendants' conduct, the plaintiff gave notice to the defendants with respect to their infringements and demanded that they desist from the practices described. This, however, the defendants have persistently refused to do. [Tr. Rec. p. 13, par. V.]

The plaintiff's third cause of action incorporates the facts contained in the first and second causes of action but states that it is for unfair competition rather than trademark infringement. [Tr. Rec. p. 14, par. I.]

The defendants in response to the plaintiff's Amended Complaint filed their Motion to Dismiss, Motion for a More Definite Statement and Motion to Strike. [Tr. Rec. p. 16.] The matter was argued before the District Court which indicated during the course of that argument that it did not feel that the plaintiff had set forth or could set forth a cause of action for trademark infringement or unfair competition due to the dissimilarity of the businesses of the parties. [Tr. Rec. pp. 36, 37.] Nevertheless, the Court granted to the plaintiff leave to file a Second Amended Complaint showing a closer relationship between the two businesses. [Tr. Rec. p. 38.] This the plaintiff declined to do, and the Court thereupon entered its Order of Dismissal dismissing the plaintiff's Amended Complaint and the action based thereon on the ground that the plaintiff had failed to state a claim upon which relief could be granted. No action was taken upon

the Motion for a More Definite Statement or upon the Motion to Strike. [Tr. Rec. p. 29.]

This appeal therefore presents only the question of whether or not the plaintiff has stated in its Amended Complaint any claim upon which relief might be granted by the District Court.

III.

Specification of Errors.

The appellant contends that the Court erred in granting the Motion to Dismiss and in dismissing the plaintiff's Amended Complaint for the reason that the plaintiff's Amended Complaint sets forth facts constituting a claim for both trademark infringement and unfair competition.

IV.

Summary of Argument.

Trademark infringement as defined by statute (60 Stat. 437, 15 U. S. C. sec. 1114 (1946), see Appendix) consists of the following elements:

1. Reproduction or imitation of the registered trademark of another in connection with the sale or offer for sale of goods or services by the person making the reproduction or imitation.
2. Use of such a reproduction or imitation in interstate commerce.
3. Use of such a reproduction or imitation without the consent of the registrant.
4. Use of such a reproduction or imitation in a manner likely to cause confusion or to deceive purchasers as to the origin of goods or services.

Unfair competition in the context of the present case contains many of the same elements. It does not, however, require a registered trademark. It does require the existence of a secondary meaning for the plaintiff's trade name, a likelihood of confusion and an intent upon the part of the defendants to create confusion or to deceive the public. "Unfair competition" is actually a misnomer since competition is not an essential element. The distinctions between the two causes of action are described in *Brooks Bros. v. Brooks Clothing of California*, 60 Fed. Supp. 442 (S. D. Cal. 1945), opinion adopted in *Brooks Clothing of California v. Brooks Bros.*, 158 F. 2d 798 (9th Cir. 1947).

Since the present appeal arises on a dismissal pursuant to the granting of a Motion to Dismiss, all of the allegations of the plaintiff's complaint must be deemed to be true, and the only question to be considered is whether or not the plaintiff has alleged in its Amended Complaint all of the elements necessary to state a claim upon which relief can be granted. An examination of the plaintiff's complaint discloses allegations of the following:

1. Reproduction of the registered mark of the plaintiff by the defendants in connection with the offer for sale or sale of goods by the defendants. [Tr. Rec. p. 14, pars. XIV-XXI.]
2. Use of the reproduction by the defendants in interstate commerce. [Tr. Rec. p. 7, pars. XI, XII; p. 11, par. XXI.]
3. Use of the reproduction by the defendants without the plaintiff's consent. [Tr. Rec. p. 13, par. V.]
4. Intention on the part of the defendants to confuse or deceive the public. [Tr. Rec. p. 12, par. II.]

5. Likelihood of confusion and actual confusion and deception as a result of the defendants' conduct. [Tr. Rec. p. 12, pars. II-IV.]
6. Secondary meaning in connection with the trademark and trade name of the plaintiff. [Tr. Rec. p. 8, par. XII.]

There are, therefore, allegations relating to each of the necessary elements of both trademark infringement and unfair competition.

The District Court ruled that a likelihood of confusion was not possible and disregarded the allegations of the plaintiff's complaint setting forth that both likelihood of confusion and confusion itself existed. The question of confusion or likelihood of confusion is one of fact which cannot be determined on a Motion to Dismiss. Even assuming, however, that it is not a question of fact but one of law, it cannot be held that a likelihood of confusion cannot exist in the present case. The plaintiff is the owner of a strong mark which is entitled to the broadest possible protection, and an examination of the cases discloses that protection has been granted where the products involved were far more disassociated than those in this case.

Furthermore, it has been alleged that the infringement by the defendants was committed intentionally. The existence of such an intention, by itself, raises a presumption and constitutes evidence of a likelihood of confusion.

V.

In Considering an Appeal From a Judgment Pursuant to the Granting of a Motion to Dismiss, the Court Must Regard as True All of the Well Plead Allegations of the Plaintiff's Complaint.

This rule was succinctly stated by this court in *Karseal Corporation v. Richfield Oil Corporation*, 221 F. 2d 358 (9th Cir. 1955), in the following language:

“Since this appeal arises from the granting of a Motion to Dismiss, we must take as true all the facts which are well pleaded in the Amended Complaint.”

See also:

Cerritos Gun Club v. Hall, 96 F. 2d 620 (9th Cir. 1938);

Moore v. Garraguez, 83 F. 2d 139 (9th Cir. 1936);

United States v. Central Stockholders' Corporation, 52 F. 2d 322 (9th Cir. 1931).

It is to be noted that the court made no ruling on the motions by the defendants relating to the form of the plaintiff's allegations. It must be assumed then that only their substance is now drawn into question; and as to substance, they must be accepted as true.

VI.

The Existence of Confusion or a Likelihood of Confusion Must Be Determined as a Question of Fact.

The application of this rule is brought out in *John Walker & Sons v. Tampa Cigar Co.*, 197 F. 2d 72 (5th Cir. 1952). In that case the plaintiff, the manufacturer of Johnnie Walker Scotch whiskey, brought an action against the defendant for manufacturing and selling cigars under the name "Johnnie Walker". The defendant filed a Motion to Dismiss for failure to state a claim upon which relief might be granted on the ground that it appeared from the plaintiff's Complaint that the products involved were not competitive and that, therefore, there could be no likelihood of confusion.

The District Court granted the motion. The Court of Appeals reversed holding that the question of likelihood of confusion was one of fact saying, at page 73:

"This court and others have frequently laid down the rule that in considering a motion to dismiss the allegations of the complaint must be viewed in a light most favorable to the plaintiff, and all facts well pleaded must be admitted and accepted as true. *Cromelin v. United States*, 5 Cir., 177 F. 2d 275; *Hilliard v. Brown*, 5 Cir., 170 F. 2d 397; *Rose v. Rose*, 5 Cir., 162 F. 2d 587; *Knox v. Ingalls Shipbuilding Corporation*, 5 Cir., 158 F. 2d 973; *Mitchell v. Wright*, 5 Cir., 154 F. 2d 924.

"In the light of these principles, we think it clear that the court below erred in dismissing the complaint. We are in no doubt that the complaint states a claim upon which relief could be granted. The argument that the public is not apt to believe that Johnnie Walker whiskey and Johnnie Walker cigars have a common source of origin and that it has not

taken the trademark Johnnie Walker with the intention of trading on the good will of the plaintiff's trademark, overlooks the point that the motion to dismiss accepts as true all facts well pleaded and, indeed, exemplifies the necessity for a trial in this case. Certain it is this suit for trademark infringement may not be dismissed on motion where there is presented a factual issue as to whether defendant's use of the name Johnnie Walker is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods."

On retrial, the District Court found that a likelihood of confusion did in fact exist and granted the relief prayed for by the plaintiff.

John Walker & Sons v. Tampa Cigar Company,
124 Fed. Supp. 254 (S. D. Fla. 1954).

It has been held on other occasions that the question of likelihood of confusion is one of fact to be decided on the merits.

Pure Foods v. Minute Maid Corp., 214 F. 2d 792
(5th Cir. 1954);

Q-Tips v. Johnson & Johnson, 206 F. 2d 144 (3rd
Cir. 1953);

Chappell v. Goltsman, 186 F. 2d 215 (5th Cir.
1950).

In the *Q-Tips* case, the court quotes the following from Restatement, Torts, Section 728:

"The issue of confusing similarity is an issue of fact as to the probable or actual reactions of purchasers."

Such an issue cannot, of course, be determined on the pleadings.

VII.

The Plaintiff's Trademark "Big Boy" in Its Application to the Plaintiff's Business Is a Fanciful or Strong Trademark and Is Therefore Entitled to the Broadest Protection.

The distinction between weak trademarks and strong trademarks has been discussed in several cases.

Dwinnel-Wright Co. v. National Fruit Products Co., 140 F. 2d 618 (1st Cir. 1944);

Arrow Distilleries, Inc. v. Globe Brewing Co., 117 F. 2d 347 (4th Cir. 1941);

Palmer v. Gulf Publishing Co., 79 Fed. Supp. 731 (S. D. Cal. 1948).

In the *Arrow Distilleries* case, the court points out that the adoption of an arbitrary, fanciful or distinctive name, such as Aunt Jemina, Kodak or Rolls Royce, creates a monopoly of use in a very wide field. However, the adoption of a weak mark, such as Gold Medal, Blue Ribbon or Buckeye, confers protection in only a narrow field.

Weak marks are of two classes—those that are weak because of their common use and those that are weak because they are merely descriptive of the product or service which they designate. Among the former are "College Humor" as applied to a humor magazine (*Collegiate World Publishing Co. v. DuPont Publishing Co.*, 14 F. 2d 158 (N. D. Ill. 1926)), or "American Automobile Association" as applied to an automobile club

(*American Automobile Association v. American Automobile Owners Association*, 216 Cal. 125 (1932)). Examples of the latter type are “Majestic” (*Majestic Manufacturing Co. v. Majestic Electric Appliance Co.*, 172 F. 2d 862 (6th Cir. 1949), or “Uncle Sam” (*Durable Toy & Novelty Corporation v. J. Chein & Co.*, 133 F. 2d 853 (2d Cir. 1943)).

Strong marks, on the other hand, consist of fabricated words which are totally unique or ordinary English words used in a unique, fanciful or non-descriptive manner. Among the first of these are “Kodak” as applied to cameras or “Nujol” as applied to mineral oil. (*Standard Oil Company v. California Peach & Fig Growers*, 28 F. 2d 283 (D. Del., 1928).) Among the latter is “Stork Club” as applied to a restaurant. (*Stork Restaurant v. Sahati*, 166 F. 2d 348 (9th Cir., 1948).)

The name “Big Boy” as applied to either a restaurant or a hamburger would appear to be in the same class with a name such as “Stork Club.” Although it consists of ordinary English words, its application is entirely fanciful. Except for its suggestion of size, it is in no way related to either restaurants or hamburger sandwiches. It is, therefore, entitled to the broad protection of a strong mark.

VIII.

Actual Competition Between the Products of the Plaintiff and the Products of the Defendant Is Not Essential for Relief in Either Trademark Infringement or Unfair Competition.

As has been indicated above, it is not essential to a claim for either trademark infringement or unfair competition that the products of the plaintiff and the defendant be in actual competition with each other. In each of the following cases, an injunction was granted even though the product of the plaintiff was totally different from that of the defendant. Following each citation, the plaintiff's product is listed before that of the defendant.

Sears, Roebuck and Co. v. Johnson, 219 F. 2d 590 (3rd Cir. 1955)—Automobile accessories and liability insurance v. Driving school;

Hanson v. Triangle Publications, 163 F. 2d 74 (8th Cir. 1947)—Magazines v. teenage clothes for girls;

California Fruit Growers Exchange v. Windsor Beverages, 118 F. 2d 149 (7th Cir. 1941)—Fruit products v. carbonated drinks;

S. C. Johnson & Son v. Johnson, 116 F. 2d 427 (2nd Cir. 1940)—Cleaning fluid v. floor wax;

L. E. Waterman Co. v. Gordon, 72 F. 2d 272 (2nd Cir. 1934)—Fountain pens v. razor blades;

Armour & Co. v. Master Tire & Rubber Co., 34 F. 2d 201 (S. D. Ohio, 1925)—Meat packing with incidental production of motorists' supplies v. tires;

Yale Electric Corporation v. Robertson, 26 F. 2d 972 (2nd Cir. 1928)—Locks and hardware v. flashlights;

Wall v. Rolls-Royce of America, Inc., 4 F. 2d 333 (3rd Cir. 1925)—Automobiles and airplanes v. radio tubes;

Elder Manufacturing Co. v. Martin Trenkle Co., Inc., 90 Fed. Supp. 889 (E. D. Ark. 1950)—Boys' clothing and toys v. paint;

Atlas Diesel Engine Corporation v. Atlas Diesel School, Inc., 60 Fed. Supp. 429 (E. D. Mo. 1945)—Diesel equipment v. trade school;

Lady Esther, Ltd. v. Flanzbaum, 44 Fed. Supp. 666 (R. I. 1942)—Cosmetics v. shoes;

Esquire, Inc. v. Esquire Bar, 37 Fed. Supp. 875 (S. D. Fla. 1941)—Magazine v. establishment selling food and drink;

Alfred Dunhill of London v. Dunhill Shirt Shop, 3 Fed. Supp. 487 (S. D. N. Y. 1929)—Smoking supplies v. haberdashery.

In the present case, the relationship between the products of the parties is actually much closer than were the relationships in many of the above cited cases. The plaintiff sells hamburgers directly to the consumer; the defendants urge the consumer to "buy our barbecues and prepare your own hamburgers." In both instances, the touchstone is the "hamburger." It is, of course, impossible finally to adjudicate the rights of the parties without examining the facts involved. However, the complaint in this action alleges that the defendants' manner of operation has caused the public to confuse their

product with those of the plaintiff, and the above cited cases indicate that there is no inherent reason why the law may not recognize that such confusion exists.

It appears from the record that the District Judge felt that, irrespective of the foregoing, the plaintiff, being in the "restaurant business" was not entitled to relief because the defendants were in the "manufacturing business" [Tr. Rec. pp. 34-39]. We believe that where, as here, a real likelihood of confusion exists, the law does not require a denial of relief simply because one of the parties is in the manufacturing business and the other is not. It is to be noted that in one of the cases cited above and upon which we rely (*Sears, Roebuck and Co. v. Johnson*, 219 F. 2d 590 (3rd Cir. 1955)), one of the parties was in the merchandising business and the other was conducting a driving school; in another (*Atlas Diesel Engine Corporation v. Atlas Diesel School, Inc.*, 60 Fed. Supp. 429 (E. D. Mo. 1945)), one of the parties was in the manufacturing business and the other was operating a trade school; in a third (*Hanson v. Triangle Publications*, 163 F. 2d 74 (8th Cir. 1947)), one of the parties published a magazine and the other was in the dress manufacturing business; and in a fourth case (*Esquire, Inc. v. Esquire Bar*, 37 Fed. Supp. 875 (S. D. Fla. 1941)), one of the parties published a magazine while the other was in the restaurant business.

IX.

There Is Nothing in the Sunbeam Cases to Preclude the District Court From Finding Confusion or Likelihood of Confusion in This Case.

At the hearing before the District Court the defendant appeared to rely substantially upon the so-called *Sunbeam* cases.

Sunbeam Lighting Co. v. Sunbeam Corp., 183 F. 2d 969 (9th Cir. 1950);

Sunbeam Furniture Corp. v. Sunbeam Corp., 191 F. 2d 141 (9th Cir. 1951).

The first of these cases was an action by the manufacturer of electrical home appliances against a partnership manufacturing fluorescent electrical fixtures and portable fluorescent lamps. The defendants had adopted the name "Sunbeam" which was the trademark of the plaintiff. They had also used, in conjunction with the name "Sunbeam," the word "Master" which was also used by the plaintiff, and had adopted a form of printing using a capital "S" somewhat similar to the plaintiff's. The portable lamps manufactured by the defendants were sold in retail stores by methods similar to those used by the plaintiff, whereas, the fluorescent fixtures were sold only to architects and other professional buyers.

The District Court had granted the plaintiff an injunction enjoining the defendants from using the word "Sunbeam" in any way in connection with its business. The Court of Appeals reversed the District Court in part, limiting the injunction to the use of the word "Sunbeam"

in connection with the sale of portable lamps and enjoining *in toto* the use of the word "Sunbeam" in script similar to that used by the plaintiff. The Court held that, so far as the sale of fluorescent fixtures was concerned, there could be no confusion between the products of the plaintiff and the fixtures of the defendants.

The *Sunbeam Lighting Co.* case differs from the present case in several important respects. In the *Sunbeam* case, the Court points out that the differences in marketing make confusion impossible. Only engineers and architects would be purchasing the fixtures of the defendants, and such purchasers are not subject to the confusion which might arise among the public generally. Where such confusion would be possible, in the case of the portable lamps which the Court states are sold as household utensils, the Court was willing to grant the injunction. Of particular significance is the action of the Court in enjoining the use by the defendants of script similar to that of the plaintiff. This injunction applies not only to the portable lamps but to the fluorescent fixtures as well. The Court apparently felt that the use of similar script by the defendants created a wider field for confusion and tainted the defendant's position with bad faith thereby justifying an injunction broader in scope.

The second *Sunbeam* case (*Sunbeam Furniture Corp.*) involved the same plaintiff as the earlier case. The defendant, however, was primarily a retailer engaged in selling household furniture, including electric lamps. All of the defendant's furniture and lamps bore in some manner the name "Sunbeam Furniture Corp." The lamps in addition, were referred to as "Sunbeam Lamps."

The District Court granted its injunction enjoining the defendant from any use of the name "Sunbeam." The

Court of Appeals reversed the District Court in part, limiting the injunction to the electric lamps. In pointing out its reason for refusing the injunction insofar as the name "Sunbeam Furniture Corp." is concerned, the Court of Appeals states at page 144, "As to this aspect of the case, the evidence reveals neither market competition nor confusion of source." The Court further relies upon the holding in the earlier *Sunbeam* case that the name "Sunbeam" is a weak mark, both because of its descriptive connotations and its frequent use by others, and therefore entitled to very narrow protection.

In relating the facts and the decision in the *Sunbeam* cases to the matter here concerned, the following comments are believed pertinent:

a. The "Sunbeam" trademark was a weak mark; our "Big Boy" trademark is a strong one. (See discussion in Par. VII beginning on page 14 of this brief.

b. In contrast to the *Sunbeam Lighting Co.* case, in which the defendant sold one principal type of its products exclusively to architects and engineers who were presumably skilled and enlightened buyers, here both parties seek to attract the same clientele, namely, the public at large.

c. We believe that the evidence in our case would show clearly that the relationship between barbecues for grilling hamburgers and the hamburgers themselves is closer in the public mind than is the relationship between home appliances (such as electric razors, mixers, and orange squeezers) and furniture (such as sofas and tables), or between home appliances and fluorescent lighting fixtures. It is at least as close as is the relationship between home appliances and portable and reading lamps, where protection was granted.

d. The decisions in both of the *Sunbeam* cases were made after the taking of testimony and after all of the facts were before the Court. It was then possible for the Court to state in the second case that no evidence of confusion had been shown. These cases, however, are not authority for the dismissal of a trademark infringement and unfair competition case on the basis of the pleadings alone.

X.

Where the Defendant Intends to Trade Upon the Trademark of the Plaintiff or Intends to Cause Confusion Among Purchasers, the Existence of the Intent Alone Raises a Presumption of Confusing Similarity and Is Itself Evidence of a Likelihood of Confusion.

This proposition originated in *My-T-Fine Corporation v. Samuels*, 69 F. 2d 76 (2nd Cir. 1934), which involved an action for unfair competition brought by the manufacturer of a chocolate pudding against the defendant pudding manufacturer who had imitated the color and design of the plaintiff's packages. The Court found that the imitation by the defendant was done with the intention of trading on the plaintiff's good will; and in considering the question of confusion, the Court, speaking through Judge Learned Hand, at page 77 says:

"It would be impossible on this record to say that any one who meant to buy the plaintiff's pudding has hitherto been misled into taking the defendants' by a mistake in the appearance of the box. Indeed such evidence is usually hard to get even after a trial, and upon this motion the affidavits are too

hazy and unreliable, even if undisputed. The plaintiff has proved no more than that the boxes look a good deal alike, and that confusion may well arise; and were it not for the evidence of the defendants' intent to deceive and so to secure the plaintiff's customers, we should scarcely feel justified in interfering at this stage of the cause. We need not say whether that intent is always a necessary element in such causes of suit; probably it originally was in federal courts. *McLean v. Fleming*, 96 U. S. 245, 24 L. Ed. 828; *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537, 11 S. Ct. 396, 34 L. Ed. 997; *Elgin National Watch Co. v. Illinois Watch Case Co.*, 179 U. S. 665, 21 S. Ct. 270, 45 L. Ed. 365. But when it appears, we think that it has an important procedural result; a late comer who deliberately copies the dress of his competitors already in the field, must at least prove that his effort has been futile. *Prima facie* the court will treat his opinion so disclosed as expert and will not assume that it was erroneous. *Fairbank Co. v. R. W. Bell Mfg. Co.*, 77 F. 869, 877 (C. C. A. 2); *Capewell Horse Nail Co. v. Green*, 188 F. 20, 24 (C. C. A. 2); *Wolf Bros. & Co. v. Hamilton*, 165 F. 413, 416 (C. C. A. 8); *Thum Co. v. Dickinson*, 245 F. 609, 621, 622 (C. C. A. 6); *Wesson v. Galef* (D. C.), 286 F. 621, 626. He may indeed succeed in showing that it was; that, however bad his purpose, it will fail in execution; if he does, he will win. *Kann v. Diamond Steel Co.*, 89 F. 706, 713 (C. C. A. 8). But such an intent raises a presumption that customers will be deceived." (P. 77.)

This doctrine has subsequently been repeated in trademark cases, unfair competition cases and cases involving

both offenses. Sometimes it is expressed as a presumption, and sometimes the Court says merely that the intent supplies evidence of confusion.

TRADEMARK CASES.

Time, Inc. v. Life Television Corp., 123 Fed. Supp. 470 (D. Minn. 1954);

G. B. Kent & Sons v. P. Lorillard Co., 114 Fed. Supp. 621 (S. D. N. Y. 1953), aff'd on the op. of the Dist. Ct., 210 F. 2d 953 (2nd Cir. 1954).

UNFAIR COMPETITION CASES.

Best & Co. v. Miller, 167 F. 2d 374 (2nd Cir. 1948);

E. Kahn's Sons Co. v. Columbus Packing Co., 82 F. 2d 897 (6th Cir. 1936);

Progressive Welder Company v. Collom, 125 Fed. Supp. 307 (D. Minn. 1954).

COMBINED CASE.

G. H. Mumm Champagne v. Eastern Wine Corp., 142 F. 2d 499 (2nd Cir. 1944).

XI.

Conclusion.

The District Court in granting the defendants' Motion to Dismiss determined as a matter of law an issue which could only be decided as a question of fact after the taking of testimony. The relationship between the businesses of the plaintiff and the defendants is not such as to preclude a likelihood of confusion or confusion itself. By intentionally attempting to trade on the good will of the plaintiff, the defendants have raised a presumption that such efforts, unless restrained, will be successful. The plaintiff should, therefore, at least be granted the opportunity of proving that an injury has occurred.

Dated: August 12, 1955.

Respectfully submitted,

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APPENDIX.

60 Stat. 437, 15 U. S. C. §1114 (1946):

*Remedies; infringements; innocent infringement by
printers and publishers.*

(1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to receive purchasers as to the source or origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided in this chapter, except that under subsection (b) of this section the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers.

(2) Notwithstanding any other provision of this chapter, the remedies given to the owner of the right infringed shall be limited as follows: (a) Where an infringer is engaged solely in the business of printing the mark for others and establishes that he was an innocent infringer the owner of the right infringed shall be entitled as against such infringer only to an injunction against future

printing; (b) where the infringement complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical the remedies of the owner of the right infringed as against the published* or distributor of such newspaper, magazine, or other similar periodical shall be confined to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodical: *Provided*, That these limitations shall apply only to innocent infringers; (c) injunction relief shall not be available to the owner of the right infringed in respect of an issue of a newspaper, magazine, or other similar periodical containing infringing matter when restraining the dissemination of such infringing matter in any particular issue of such periodical would delay the delivery of such issue after the regular time therefor, and such delay would be due to the method by which publication and distribution of such periodical is customarily conducted in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter. July 5, 1946, c. 540, title VI, §32, 60 Stat. 437.

*So in original. Probably should read "publisher."